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Message Text

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11
ACTION EB-07

INFO OCT-01 EUR-12 IO-10 ISO-00 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-02 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

AF-06 ARA-06 EA-06 NEA-09 /129 W
---------- 119296
R 041615Z APR 75
FM US MISSION GENEVA
TO SECSTATE WASHDC 1858
INFO USEC BRUSSELS 4465

C O N F I D E N T I A L GENEVA 2338

E.O. 11652: GDS
TAGS: GATT, ETRD, EEC

(A) STATE 219975 (OCTOBER 1974); (B) BRUSSELS 637; (C) GENEVA 2122

SUMMARY. LUYTEN OF EC COMMISSION HAS INFORMED US THAT COMMISSION IS CONSIDERING WAIVER-LIKE GATT DECISION AS MEANS OF REGULARIZING LOME CONVENTION UNDER GATT. ACCEPTABILITY OF IDEA WITHIN COMMUNITY WOULD DEPEND ON WHETHER COMMISSION COULD INDICATE THAT DECISION WOULD PROBABLY ENJOY GENERAL SUPPORT IN GATT, AND LUYTEN INFORMALLY SOLICITED OUR HELP IN THIS RESPECT BOTH WITH REGARD U.S. POSITION AND IN QUIETLY ADVANCING IDEA WITH OTHERS. END SUMMARY.

1. LUYTEN, EC COMMISSION REP IN GENEVA, CALLED ON MISSION APRIL 4 TO DISCUSS GATT HANDLING OF LOME CONVENTION. HE SAID GATT DG LONG HAS INFORMALLY SUGGESTED THAT GATT PART IV BE SOMEHOW AMENDED TO COVER LOME CONVENTION, GENERALIZED PREFERENCES, INTRA-LDC PREFERENCES, ETC. LUYTEN, WHILE SAYING HE DID NOT THINK EC WOULD HAVE ANY BASIC PROBLEMS WITH AN ATTEMPT TO BRING PART IV UP TO DATE, CONSIDERED
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THAT THIS WOULD BE A TOO LONG DRAWN OUT PROCESS TO BE A

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MEANS OF DEALING WITH LOME CONVENTION WHICH HAS ALREADY
BEEN INTRODUCED IN GATT (REFTEL C) AND WILL NEED TO BE CON-
SIDERED FAIRLY PROMPTLY. HE SAID THAT THERE WILL CERTAINLY BE
SUGGESTIONS FROM EC MEMBER STATES THAT BEST WAY OF DEALING
WITH CONVENTION IN GATT WOULD BE PRESENTATION UNDER ARTICLE
XXIV AS FREE TRADE AREA (OR AREAS). HOWEVER, COMMISSION IS
CONSIDERING PROPOSING A DECISION, SIMILAR TO AN ARTICLE XXV
WAIVER, BUT WITHOUT BEING DESCRIBED AS WAIVER OR REFERRING TO
ARTICLE XXV. HE SAID SUBSTANTIVE CONTENT OF SUCH DECISION
WOULD BE A GATT AUTHORIZATION FOR LOME SIGNATORIES TO PUT
CONVENTION INTO EFFECT. HE SAID GATT STATUS OF DECISION WOULD
BE SIMILAR TO DECISIONS ON UAR-INDIAN-YUGOSLAVIA AGREEMENT
AND ON INTRA-LDC PREFERENCES. HE SAID THESE DECISIONS
IN EFFECT CONSTITUTED WAIVERS BUT WERE NOT SO LABELLED AND DID NOT
CONTAIN REFERENCES TO ARTICLE XXV. (NOTE: THESE DECISIONS ARE
CONTAINED IN BISD 16TH SUPPLEMENT P. 17 AND BISD 18TH SUPPLEMENT,
P. 26. LATTER ACTION IS IN FACT LISTED IN GATT INDEX AS WAIVER
ALTHOUGH TEXT DOES NOT REFER TO ARTICLE XXV.) HE THOUGHT SUCH
APPROACH WOULD BE FAVORED BY U.S. ECMIN RECALLED THAT
WE HAD IN FACT EARLIER INFORMED COMMISSION THAT WE WOULD
HAVE PROBLEMS WITH ATTEMPT TO LEGITIMATIZE LOME CONVENTION
UNDER ARTICLE XXIV, AND THAT ARTICLE XXV WAIVER WOULD HAVE
BEEN OUR PREFERRED SOLUTION, ALTHOUGH WE RECOGNIZED EC
UNWILLING ASK FOR WAIVER (REFTEL A). IN VIEW OF THIS BASIC
POSITION, HE THOUGHT IT LIKELY U.S. WOULD BE ATTRACTED BY IDEA
OF GATT DECISION RESEMBLING WAIVER. (NOTE: GATT DEPUTY
DIRECTOR PATTERSON RECENTLY CALLED US TO STRESS LONG'S AND HIS
CONCERN THAT LOME CONVENTION MIGHT BE PRESENTED AND ACCEPTED
UNDER ARTICLE XXIV. THEY CONSIDERED SUCH ACTION WOULD HAVE
VERY DAMAGING EFFECTS FOR GATT. WE INFORMED HIM U.S.
ALSO DID NOT LIKE IDEA OF DEALING WITH LOME CONVENTION UNDER
ARTICLE XXIV.)

2. LUYTEN STATED THAT COMMISSION'S OWN DECISION ON METHOD OF
PROCEEDING WOULD DEPEND PARTLY ON THEIR JUDGMENT CONCERNING
RECEPTION REQUEST FOR DECISION WOULD RECEIVE IN GATT. IN
ADDITION TO ASKING FOR CONFIRMATION THAT U.S. REACTION WOULD BE
POSITIVE, HE SAID IT WOULD BE USEFUL IF U.S. (HERE IN GENEVA)
COULD SOUND OUT OTHERS (GATT SECRETARIAT, SOME EFTA COUNTRIES,
SOME LAS, SOME ASIAN LDCS) ON IDEA AND GIVE IT QUIET PUSH.
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HE NOTED THIS WOULD OF COURSE HAVE TO BE DONE VERY
DELICATELY AND IN WAY THAT DID NOT LEAD TO COUNTER-REACTION
BY EC STATES). IN RESPONSE TO OUR QUESTION WHETHER SUCH
U.S. ACTION WOULD BE IN ACCORD WITH DESIRES OF TOP
COMMISSION OFFICIALS WITH WHOM U.S. HAS DISCUSSED MATTER
(SOAMES, GUNDELACH), LUYTEN RESPONDED AFFIRMATIVELY.

3. ACTION REQUESTED. WASHINGTON REACTION TO (1) IDEA OF

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WAIVER-LIKE DECISION AND (2) SUGGESTION THAT WE QUIETLY AND
INFORMALLY ADVANCE IDEA WITH OTHERS.DALE

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